

The Council of the City of Wellington, Kansas, met in Regular Session on March 6, 2018 at 6:30 p.m., in the City Council Room, City Administration Center, with Mayor Shelley Hansel presiding.

The Pledge of Allegiance was led by Mayor Shelley Hansel.

The Invocation was given by Reverend Phyllis Provost-Saas of First United Methodist Church.

Council members Kip Etter, Kelly Hawley, Jennifer Heersche, Kevin Dodds, Joe Soria, and Jim Valentine were present at roll call.

Members of the Staff present were City Manager Shane Shields, Finance Director/City Clerk Carol Mericle, City Attorney Shawn DeJarnett, and Public Works Director Jeremy Jones.

AUDIENCE PARTICIPATION

Robert Hamilton of 515 N. Plum, Apt 5-July 4th Fireworks display. He proposed moving the display to the Hargis Creek Park on Wednesday, July 4, 2018. Mr. Hamilton shared that previously it was held in conjunction with the HEAT baseball game, which has not been on July 4th. He believes that the community coming together, with public restrooms, and a playground area would be more appealing. Parking would not be an issue as there is plenty available at the Hargis Creek location. City Manager Shields shared that the celebration for this year has been planned on the 4th of July, and staff feels it is a good idea to move the display to this area. Public would be prohibited from shooting off fireworks in this location. Council member Soria mentioned playing with a band and going to the Anthony Lake to play on the 4th of July in the past. Mayor Hansel agrees and feels that this is a great idea. Council member Heersche suggested notifying the neighbors in that location regarding the change of location.

CONSENT AGENDA

Council member Valentine, moved to approve the consent agenda. Council member Dodds, seconded the motion. The motion carried. The following items were approved under the Consent Agenda.

➤ **APPROVAL OF MINUTES**

- 1) Regular Session of February 20, 2018

➤ **APPROVAL OF APPROPRIATIONS**

- 1) Payroll Report for February 4-17, 2018 \$224,656.36
- 2) ACH Authorization Voucher #1091 for BCBS for February 14-20, 2018
- 3) ACH Authorization Voucher #1092 for BCBS for February 21-27, 2018
- 4) Claims Register for February 17-28, 2018 \$1,170,802.91

➤ **RECEIPT OF COUNCIL CORRESPONDENCE**

- 1) Local Retailer Sales Tax & Compensating Use Tax for January 2018
- 2) Code Violations Report for February 2018
- 3) Building Demo Permit Report for February 2018
- 4) Planning Commission Meeting Minutes for January 23, 2018
- 5) Memorial Auditorium Board Meeting Minutes for February 1, 2018
- 6) Airport Advisory Board Meeting Minutes for January 15, 2018

- 7) WRC Board Meeting Minutes for January 17, 2018
- 8) Media Release of March 1, 2018-Compost Site Hours
- 9) Come & Go Retirement Reception for Janice Yoder, Friday, March 16, 2018, 2:00-4:00 p.m.,
Public Safety Facility

REPORTS OF MAYOR AND COUNCIL

Council member Valentine thanked Robin Hubbard, Marvin Rains and Milt Robinson for getting the flag pole fixed at the Wheat Capital Manor

Council member Soria thanked the meter readers for their hard work, and the water department for fixing the main break at the Church of Christ street area. He also shared a reminder to not throw out cigarettes with this wind.

Council member Dodds told that a comedian is going to be at the Regent tomorrow night. He is a famous comedian that is coming to our town. Please come out and participate. It will be an R-rated show. He also commented that on March 17th the Fire Dept. is having a pancake feed.

Mayor Hansel congratulated Janice Yoder on her retirement. A reception will be held on March 16, 2018 from 2-4 pm. She also told that the High School Girls basketball team and the Powerlifting team are both going to the State tournaments.

REPORTS OF CITY OFFICIALS

Overflow Parking Design, Cowley College-Sumner Campus-Memo from Public Works Director Jones. He stated that this additional information was requested a couple of meetings ago. The GEO grid for the overflow parking would be \$85,000 for the 17,000 sq. ft. area. Cheri Hulse, of Agora Architecture, shared with the Council how the GEO grid could be used, but is requesting that compaction and grass be used for now. Council member Dodds made a motion to allow Agora to waive the requirement and allow them to use the compaction method that is proposed. Council member Heersche seconded the motion. The motion carried.

Lincoln Place Update-Memo from Public Works Director Jones. Director Jones gave an update on the Lincoln Place building demolition. He told he met with representatives from Bradburn Wrecking Co. last week, and they have been working on the inside of the building removing the floors around the edge to keep debris off the floor while demolition is done. Progress has been slow due to some issues with the roof. The Masonic Cornerstone was found to be a solid block at the bottom of the building and is being protected so it can be salvaged during the demolition process.

PUBLIC HEARING

There were no public hearings held during tonight's meeting.

ORDINANCES

There were no Ordinances presented at tonight's meeting.

RESOLUTIONS

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN A LEASE AND OPERATING AGREEMENT, BY AND AMONG THE CITY OF WELLINGTON, KANSAS, AS LANDLORD, AND SUMNER COMMUNITY HOSPITAL, LLC, AS TENANT was introduced and considered. City Manager Shields shared the information regarding the operating agreement and the lease and transfer agreement for SRMC by the Healthcare Authority. City Attorney DeJarnett stated that while the City does

not own the hospital, it does own the building and has accepted the PBC Bond. Attorney for SRMC, Doug Pfalzgraf, discussed the struggle that the hospital has had for years and it has not been a lack of effort on the Board's part. All have tried to keep the hospital running and open to the community. He continued the payroll has become a struggle, there is a mountain of debt, and they have not been able to pay the utilities or bond payments to the City. It has become increasingly clear that we are looking at hospital closure. Attorney Pfalzgraf told that a few months ago, the Rural Health Group came in looking to take over the hospital. It has been decided that this would be the best option for our hospital. The contractual documents with this company have required non-disclosure, however not for a lack of desire to be transparent, but it's been the realities of trying to put together a horribly complex deal. He continued these documents in the simplest terms have two pieces. First, the transfer agreement gives the new RHG board the authority to run the hospital. That transfer agreement was approved by the Board this morning. The second part is the lease agreement where the City is involved. He said the lease agreement states that RHG will lease the facility by the closing date which is set for March 15th, and will be in force while the new hospital is being built. The new hospital will be a 5 to 15 bed full service hospital and will be not less than 27,000 sq. ft. It will be similar to the hospital they built in Hillsboro, KS. In addition to this lease they will pay the current hospital \$1.1 million that will allow the Board to pay the 941 taxes, the state withholding taxes and the Paid-Time-Off (PTO) for employees. If the hospital closes with no replacement, these will not be able to be paid. The new hospital does not have a site picked as of this meeting but it will pay the Special Assessments on the development that will be due to the City of Wellington. Attorney Pfalzgraf said the lease needs to be signed after consent is given from the Council. He summarized by telling the positives with this deal. A hospital will be in our community, the employees at this time will be retained, however longevity cannot be given, and the City won't have the ambulances running up and down the turnpike as often. Also, the City will have a utility payer again. The sale is for the right to do business as the hospital and selling the Accounts Receivables. At this time \$1.8 million is owed to the facility that does the current hospitals Accounts Receivables. Council member Dodds asked if the new facility would have an operational 24-hour ER. He also asked if the final decision for picking the site would be the City Council. Both questions were answered yes. Mayor Hansel asked about the City's involvement with the new building. City Manager Shields shared that the cost of the infrastructure will be bonded and then specials assessed back to the property owner RHG.

Les Dean, SRMC CEO, said the new hospital will include a clinic and will have the ability to bring follow-up care to the patients that are seen in the ER. If a patient doesn't have a physician that they are currently involved with here, there will be 2 new doctors who can give them that care. Council member Etter reminded everyone about the excellent care that the current clinic has given to our community. They have helped the hospital as much as possible and have been supportive through all of these difficult times. Council member Dodds asked Dr. Scheufler to speak on behalf of Sumner County Family Care Center. Dr. Scheufler stated that this information is new to him and the clinic, as they have not been included in discussion with the hospital about the changes that are going to be made to the facility. He does not agree that there is no follow up for patient care now as his clinic has and is doing patient care for those that are seen in the ER or hospital. Dr. Scheufler has agreed that the hospital is old and is not in good condition, however does not agree that a new clinic is needed. He feels that the doctors in the City need to be involved with this procedure. Mayor Hansel feels that this is the best answer for the hospital, however she is concerned and does not want to hurt the existing clinic. Council member Hawley shared she agreed with Mayor Hansel and realizes that in the last five years she has served on the Council, the current hospital has been in dire straits. Council member Etter asked if this plan goes through, what

happens to the sales tax? Attorney Pfalzgraf stated the hospital has to pay Cerner for the accounts receivable debt and pay for repairs to the existing building for three years. They will also pay for other debt that SRMC had incurred. Council member Etter remarked he doesn't want taxpayer money to pay for competition with existing private businesses. Council member Valentine stated he has always been an advocate for health, safety and welfare and thinks this will bring in more people. Council member Dodds made a motion to approve this Resolution as presented. Council member Soria seconded the motion. Those voting "AYE" were Council members Soria, Valentine, Etter, Hawley, Heersche and Dodds. There were no "NAY" votes. Number 5885 was assigned to this Resolution.

OTHER

City Manager Shields reiterated the fact regarding fire danger. Director Jones told that Plumb Thicket Landfill at Harper was closed due to the near fire. The trucks will start tomorrow at 9:00 am instead of 7:00 am. The progress will depend on the opening of Plumb Thicket landfill tomorrow. We may have to shut down and wait for them to open to proceed.

A motion to adjourn was made. Motion carried.

Approved and filed this day March 20, 2018

Mayor

City Clerk